RIVERTON DOME GAS EXPLORATION AND STIMULATION TECHNOLOGY DEMONSTRATION, WIND RIVER BASIN, WYOMING

D.O.E. Contract No. DE-FC26-97FT34181--03

Contract Starting Date: October 1, 1997
Contract Ending Date: Ma rch 31, 1999

D.O.E. Award for the Cur rent Year: \$1,197,989

3rd Quarterly, First Year, Technical Progress Report

Reporting Period: April 1, 1998 -- June 30, 1998

Ronald C. Su rdam
Project Manager & Principal Investigator

Department of Ene rgy Contracting O fficer: Ms. Mary Beth Pearse

August 28, 1998

Institute for Ene rgy Resea rch Ronald C. Surdam, Di rector University of Wyoming Laramie, Wyoming

TITLE: RIVERTON DOME GAS EXPLORATION AND STIMULATION TECHNOLOGY DEMONSTRATION, WIND RIVER BASIN, WYOMING

D.O.E. Contract No. DE-FC26-97FT34181

Contractor Name and Address: Institute for Energy Research

University of Wyoming, P.O. Box 4068

Laramie, Wyoming 82071

Date of Report: August 31, 1998 Award Date: October 1, 1997 Completion Date: March 31, 1999

Government Award for Current Fiscal Year: \$1,197,989

Project Managers & Principal Investigators: Ronald C. Surdam & Thomas L. Dunn

Reporting Period: April 1, 1998 - June 30, 1998

Objectives

This project will provide a full demonstration of an entirely new package of exploration technologies that will result in the discovery and development of significant new gas reserves now trapped in unconventional low-permeability reservoirs. This demonstration includes the field application of these technologies, prospect definition and well siting, and a test of this new strategy through wildcat drilling. In addition this project includes a demonstration of a new stimulation technology that will improve completion success in these unconventional low permeability reservoirs which are sensitive to drilling and completion damage. The work includes two test wells to be drilled by Snyder Oil Company on the Shoshone/Arapahoe Tribal Lands in the Wind River Basin. This basin is a foreland basin whose petroleum systems include Paleozoic and Cretaceous source beds and reservoirs which were buried, folded by Laramide compressional folding, and subsequently uplifted asymmetrically. The anomalous pressure boundary is also asymmetric, following differential uplift trends.

Scope of the Work

The Institute for Energy Research has taken a unique approach to building a new exploration strategy for low-permeability gas accumulations in basins characterized by anomalously pressured, compartmentalized gas accumulations. Key to this approach is the determination and three-dimensional evaluation of the pressure boundary between normal and anomalous pressure regimes, and the detection and delineation of areas of enhanced storage capacity and deliverability below this boundary. This new exploration strategy will be demonstrated in the Riverton Dome—Emigrant Demonstration Project (RDEDP) by completing the following tasks: 1) detect and delineate the anomalous pressure boundaries, 2) delineate surface lineaments, fracture and fault distribution, spacing, and orientation through remote sensing investigations, 3) characterize the internal structure of the anomalous pressured volume in the RDEDP and determine the scale of compartmentalization using produced water chemistry, 4) define the prospects and well locations as a result on this new exploration technology, and 5) utilize new completion techniques that will minimize formation damage and optimize production.

Disclaimer

This report was prepared as an account of work sponsored by an agency of the United States Government. Neither the United States Government nor any agency thereof, nor any of their employees, makes any warranty, express or implied, or assumes any legal liability or responsibility for the accuracy, completeness, or usefulness of any information, apparatus, product, or process disclosed, or represents that its use would not infringe privately owned rights. Reference herein to any specific commercial product, process, or service by trade name, trademark, manufacturer, or otherwise does not necessarily constitute or imply its endorsement, recommendation, or favoring by the United States Government or any agency thereof. The views and opinions of the authors expressed herein do not necessarily state or reflect those of the United States Government or any agency thereof.

Summary of Technical Progress

Task 1. Detect and Delineate the Anomalous Pressure Boundaries Using Analysis of 2D & 3D Seismic Data and Sonic Log Velocity Analysis

Processing of the Riverton Dome and Emigrant 3-D volumes took place during this period. While it was expected that processing would be completed before the end of this quarter, delays at the processing company have pushed the actual receipt of the Riverton Dome 3-D data to the beginning of the fourth quarter. Initial viewing suggests the data quality is good and that there will be little trouble initiating our analyses when the time comes.

We have completed a regional study of sonic velocities in the western Wind River Basin. Riverton Dome fits nicely into the updip southern margin of the anomalously pressured section in the basin. Although the sonic log data within the Riverton Dome 3-D seismic area are sparse, it appears as if the southern boundary of the anomalously pressured section cuts through the middle of the Riverton Dome study area. Thus, our seismic and sonic velocity analyses should be very useful in delineating anomalously pressured hydrocarbon plays.

Task 2. Delineate Surface Fracture and Fault Distribution, Spacing, and Orientation Lineaments Through Remote Sensing Analysis

Preliminary work has demonstrated that there are several significant east-west regional linears characterizing the structural setting to the north of the 3-D seismic study area.

Task 3. Characterization of the Internal Structure of the Anomalous Pressured Volume in the RDEDP & Determination of Compartmentalization Using Produced Water Chemistry and Petrography

Cores from five wells in the Riverton Dome area were examined: Riverton Dome Tribal #2, Tribal #8, Tribal #9, and M.B. O'Connor 31. Tribal #2 was sandstone in the 11,534-12,072 depth interval, siltstone in the 11,489-11,510 depth intervals, and limestone in the 11,424-11,458 depth interval. Tribal #6, in the 9580-9605 depth interval, consisted of sandstone and conglomerates. Tribal #8 in the 9612-9631 depth interval was composed of sandstone and sandy limestone. Tribal #9 was composed of sandstone, siltstone, and shale in the 8371-9015 depth interval. M.B. O'Connor #1 was composed of sandstone, silty sandstone, calcite-cemented sandstone, and shale for the 7956-8759 depth interval.

Task 4. Play and Prospect Definition and Wildcat Wells Location Determination: New Exploration Technology Demonstration

This portion of the study is of course contingent upon the above mentioned progress.

Task 5. Well Demonstrations: Exploration Technology and New Stimulation

This portion of the study is of course contingent upon the above mentioned progress and is scheduled for the latter portion of the study.

Task 6. Project Integration and Technology Transfer: Workshops, Briefings and Publications

John Robinson has left Snyder Oil and been replaced by Steve Siguaw. Thomas L. Dunn has left IER; his duties under this contract have been assumed by Ronald C. Surdam. The third quarter has been spent working out problems with these personnel changes and establishing new lines of communication. Snyder Oil Company continues to provide weekly E-mail progress updates to the DOE and IER.